



State of Utah

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING

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August 1, 1988

Mr. Kenneth R. Poulson
Vice President
Mining & Exploration
Brush Wellman Inc.
67 West 2950 South
Salt Lake City, Utah 84115

Ken
Dear Mr. Poulson:

Re: Reclamation Bonding, Topaz Mining Property, M/023/003, Juab County, Utah

The Division concurs with Brush Wellman's steady state reclamation cost estimate received July 29, 1988. A bond period of either 10 or 15 years is acceptable. The amount to be posted for each period is listed below.

	<u>10 Year Period</u>	<u>15 Year Period</u>
Base Amount	\$170,000	\$170,000 <i>201,200</i>
10 Percent Contingency	17,000	17,000 <i>20,100</i>
Escalation at 2.3% per year	48,000	76,000 <i>90,000</i>
Total	\$235,000	\$263,000 <i>311,300</i>

At the current time, the Attorney General's Office and the Board of Oil, Gas and Mining are reviewing and updating our standard bonding forms. We anticipate that we will have the revised bonding forms to you by early September. My staff will, in the meantime, review the mine and reclamation plan submitted June 10, 1988 for consistency with earlier agreements between Brush Wellman and the Division. Their review will be completed by the end of the month.

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Kenneth R. Poulson
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We recommend that you proceed with making the changes in the reclamation plan that are outlined in your July 29, 1988 bonding proposal. We realize that you will have to obtain corporate approval of the bond prior to presenting it to the Board of Oil, Gas and Mining for their approval. The Board usually concurs with the Division's bonding recommendations, but that is not something that we can guarantee.

Thank you for your cooperation. Please contact me or Holland Shepherd of my staff if you should have any questions.

Sincerely,

Lowell

Lowell P. Braxton
Administrator
Mineral Resource Development and
Reclamation Programs

jb
cc W. Hedberg
H. Shepherd
F. Filas
R. Bayer, JBR

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